Cutright & Hardwick

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May 10, 2001

Hon. Philip N. Asprodites Commissioner of Conservation P O Box 94275 Baton Rouge, LA 70804

Re:

Hackberry Sand, Reservoir B

Beckwith Creek Field, Calcasieu Parish, Louisiana

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of Smith Production Company for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relative to the Hackberry Sand, Reservoir B, Beckwith Creek, Calcasieu Parish, Louisiana:

HACKBERRY SAND, RESERVOIR B

- To establish rules and regulations governing the exploration for and production of oil and gas from the Hackberry Sand, Reservoir B, in the Beckwith Creek Field, Calcasieu Parish, Louisiana;
- To create a single drilling and production unit for the Hackberry Sand, Reservoir B, designated as the HBY RB SUA as shown on the plat attached hereto;
- To force pool and integrate all separately owned tracts, mineral leases and other property interest within the units so created on a surface acreage basis of participation;
- 4. To designate a unit well and unit operator for the unit so created;
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Hackberry Sand, Reservoir B.

The Hackberry Sand, in the Beckwith Creek Field, Calcasieu Parish, Louisiana, is hereby defined as that oil and gas producing sand found between the depths of 7370' and 7422' (electric log measurements) in the Smith Production – Warnock No. 1 Well located in Section 5, Township 8 South, Range 9 West, Calcasieu Parish, Louisiana.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation for the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on May 9, 2001. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference.

The conference was opened by Mr. Jim Hardwick who presented the basis plan of the applicant. Questions were asked and answered. Mr. Jimmy Hickman, representing Temple-Inland Forest Products Corporation, presented a counterplan. After further discussion, all differences have been resolved and the parties agreed to a compromise proposal, a copy of which is attached to this application. Should anyone wish to confer regarding the revised plat, please contact the undersigned.

Attached hereto and made a part hereof is a revised plat outlining the HBY RB SUA in the Beckwith Creek Field, Calcasieu Parish, Louisiana, the conference attendance list, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said list of parties will be provided to any party requesting a copy. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Interested Parties or Represented Parties.

Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained AT THE COST OF THE REQUESTING PARTY, from Mr. Jim Hardwick of Cutright & Hardwick, P O Box 80972, Lafayette, LA 70598-0972, (337) 232-7756.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$700.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

James F. Hardwick

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President

JFH:dls Enclosures

cc: Mr. Richard Hudson

District Manager

Interested Parties Interested Owners Represented Parties

